



The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut

Eastern Workforce Development Area Tables, December 2005

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State of Connecticut

In 1999, P.A. 98-169 established the self-sufficiency standard. P.A. 02-54 was enacted in 2002 requiring the standard to be updated every three years. This report was prepared by the Office of Workforce Competitiveness (OWC) in consultation with the Permanent Commission on the Status of Women. For information, contact OWC at (860) 258-4301.

Permanent Commission on the Status of Women (PCSW)

PCSW was established by the Connecticut General Assembly in 1973. The Commission's mandate is to inform leaders about issues and actions affecting women and girls. For a full report, go to the website at <http://www.cga.ct.gov/PCSW> or call (860) 240-8300.

Executive Summary

The release of "*The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut*," presents an update to the 1999 report. In order to assist job seekers, policy makers, local regional workforce investment boards and local service providers, the data in the "*The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut*" is calculated for the 23 regions grouped within the five workforce development areas and is available for 70 different family types. The report also includes calculations for nine stand-alone cities so that the significant differences in costs between cities and suburban areas are not lost. The Eastern Workforce Development Area is composed of the city of Windham, Greater Windham, city of New London, Greater New London, and the Northeast Corner. The tables show monthly expenses for selected family types in this area.

The Self-Sufficiency Standard measures how much income is needed for a family of a certain composition in a given place to adequately meet their basic needs—without public or private assistance.

The Self-Sufficiency Standard for Connecticut is a tool that can be used by policy makers, local elected officials, local planning agencies, state agencies, service providers and individual citizens who are seeking jobs or making choices about what education or skills they need to achieve economic security. The calculations and analyses contained in this report gives a picture of the costs of housing, child care, food, and other basic needs so that we can make good decisions about how to build pathways out of poverty for Connecticut families. Based upon the 2004 American Community Survey, in Connecticut there are 899,496 family households, of those, a total of 55,768 or 6.2% had income below the poverty level. Of those 55,768 families, 36,846 (66%) are single parent families with a female head of household. In 2002, 156,500 families claimed an earned income tax credit.

Although the State of Connecticut has the highest per capita income in the country, there are still families who are struggling to make ends meet. Since two-thirds of the single parents living below the poverty level are women, for purposes of this report, we are using as an example a single parent with a preschooler and a school-age child. The key findings of "*The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut*" show that if families were making ends meet under this self-sufficiency standard, then:

Center for Women's Welfare

Under Dr. Diana Pearce's direction, the Center for Women's Welfare at the University of Washington is devoted to furthering the goal of economic justice for women and their families by researching poverty, public policy and income adequacy. For information, contact the center at (206) 685-5264.

Wider Opportunities for Women (WOW)

WOW works nationally to achieve economic independence and equality of opportunity for women and girls in areas such as nontraditional employment, job training, literacy, welfare to work and workforce development policy. For more information, go to <http://www.WOWonline.org> or call (202) 464-1596. To view other reports on family economic self-sufficiency, go to <http://www.sixstrategies.org>.

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- **Child care costs** throughout Connecticut would be about 30% to 39% of a family's monthly budget.
- **Housing costs** throughout Connecticut would be about 16% to 27% of a family's budget.
- **Health care** expenses throughout Connecticut would be a relatively small budget item, assuming families have access to employer-sponsored health insurance. For example, in the city of Hartford, for a family with one adult, a preschooler and a school-age child, health care costs constitute 8% of the family budget.
- In every region, a single parent with one preschooler and one school-age child needs to earn a minimum of two and one half times Connecticut's 2006 minimum wage of \$7.40 in order to meet the Self-Sufficiency income. For example, in the city of Waterbury, the Report shows that a full-time job at the 2006 Connecticut minimum wage provides only 40% of the amount needed to be self-sufficient. Even with the help of income supports, including the federal Earned Income Tax Credit (EITC), the working parent will receive a net total of \$15,165 per year (after taxes and tax credits), which is roughly one third (31%) of the Self-Sufficiency Standard and about 94% of the Federal Poverty Level of \$16,090.

The costs for family self-sufficiency vary among the cities within the state. For example, for our single parent with a preschooler and a school-age child the costs vary significantly in the city of Windham versus the city of Stamford. In the city of Windham, the family must have monthly earnings of \$3,512 per month (\$42,149 per year) while a family in the city of Stamford must earn \$5,116 per month or \$61,394 per year.

Work Supports

Public and private work supports play a vital role, when used as short-term assistance, in narrowing the gap between actual income and self sufficiency. The Report demonstrates that there are two means for improving a working family's "wage adequacy," – increasing work supports and raising the wage itself. For example, a parent with an infant and preschooler living in the city of Hartford who works full time at minimum wage (\$7.40) without any work supports or tax credits has only 36% "wage adequacy;" that is, their income from this wage only covers 36% of their expenses.

If the wage rises to \$12 per hour, wage adequacy will be 58%; at \$14 per hour, it is 67%. With a full range of available work supports including housing and child care assistance, HUSKY, Food Stamps and WIC, a minimum wage worker is at 95% of wage adequacy, and a worker earning \$14 per hour is at 102% of wage adequacy.

There are a number of successful strategies available to increase earnings and economic self-sufficiency, including but not limited to the provision of education and skill training; improved career guidance; promotion of nontraditional employment for women; micro-enterprise training and development; and sectoral employment interventions to identify high-wage, high-growth jobs and prepare workers to fill them. For example, the impact of education on earnings for women demonstrates that high school completion and post secondary education lead to significantly higher earnings. Women who did not complete high school earned

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\$19,253 per year, on average, while women with a high school diploma or GED earned \$26,146 per year, on average, according to the 2003 Bureau of Labor Statistics Population Survey. An Associate’s degree increased the earnings for women by \$9,508 to \$36,654.

The Self-Sufficiency Standard gives us a great deal of information, but it does not tell the whole story. For example, health care costs for the Standard were calculated assuming access to employer-provided health insurance. If there is no employer-sponsored insurance, health care costs may be even higher than those used in the Standard. In addition, the Standard provides no allowance for family savings or the ability to accumulate assets (e.g. college education or retirement).

Therefore, this update of “*The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut*” makes it clear that challenges remain for a number of Connecticut families struggling to make ends meet. Many cannot afford their housing *and* their child care *and* their food and so must choose between their needs or provide substandard housing or inadequate child care or insufficient food or provide no health care at all. The Self-Sufficiency Standard is a useful tool and a target for policy makers, employers, advocates, and job-seekers as we all work to help low-income families reach economic self-sufficiency. It is our intention to work closely with the Regional Workforce Development Boards, State Agencies, and service providers to use this Report as they counsel customers. It will also be used to inform discussion with regard to the development of workforce policy.

Eastern Workforce Development Area

Region 19. City of Windham	Groton	Eastford
Region 20. Greater Windham	Ledyard	Hampton
Colchester	Lisbon	Killingly
Lebanon	Lyme	Plainfield
Columbia	Montville	Pomfret
Coventry	North Stonington	Putnam
Mansfield	Norwich	Scotland
Union	Old Lyme	Sterling
Willington	Preston	Thompson
Ashford	Salem	Woodstock
Chaplin	Sprague	
Region 21. City of New London	Stonington	
Region 22. Greater New London	Voluntown	
Bozrah	Waterford	
East Lyme	Region 23. Northeast Corner	
Franklin	Brooklyn	
Griswold	Canterbury	

Connecticut Workforce Development Areas, Self-Sufficiency Regions, Towns and Cities

Northwest Workforce Development Area 1. City of Waterbury 2. Greater Waterbury Bethlehem Thomaston Watertown Woodbury Cheshire Middlebury Naugatuck Prospect Southbury Wolcott 3. City of Danbury 4. Greater Danbury Bethel Brookfield New Fairfield Newtown Redding Ridgefield Sherman Bridgewater New Milford Roxbury Washington 5. Northwest Corner Hartland Barkhamsted Canaan Colebrook Cornwall Goshen Harwinton Kent Litchfield	Morris New Hartford Norfolk North Canaan Salisbury Sharon Torrington Warren Winchester	North Central Workforce Development Area 12. City of Hartford 13. Hartford Suburbs Bloomfield East Hartford Manchester Newington South Windsor West Hartford Wethersfield Windsor 14. North Central Avon Berlin Bristol Burlington Canton East Granby East Hartford East Windsor Enfield Farmington Glastonbury Granby Marlborough New Britain Plainville Rocky Hill Simsbury Southington Suffield Windsor Locks Plymouth Andover	Bolton Ellington Hebron Somers Stafford Tolland Vernon	Woodbridge 18. Lower Connecticut River Chester Deep River Essex Old Saybrook Westbrook	23. Northeast Corner Brooklyn Canterbury Eastford Hampton Killingly Plainfield Pomfret Putnam Scotland Sterling Thompson Woodstock
	Southwest Workforce Development Area 6. City of Bridgeport 7. City of Stratford 8. City of Stamford 9. Naugatuck Valley Shelton Ansonia Beacon Falls Derby Oxford Seymour 10. Upper Fairfield Easton Fairfield Monroe Trumbull 11. Lower Fairfield Darien Greenwich New Canaan Norwalk Weston Westport Wilton		South Central Work-force Development Area 15. City of New Haven 16. Upper Connecticut River Cromwell Durham East Haddam East Hampton Haddam Middlefield Middletown Portland 17. Greater New Haven Clinton Killingworth Branford Bethany East Haven Guilford Hamden Madison Meriden Milford North Haven North Branford Orange Wallingford West Haven	Eastern Workforce Development Area 19. City of Windham 20. Greater Windham Colchester Lebanon Columbia Coventry Mansfield Union Willington Ashford Chaplin 21. City of New London 22. Greater New London Bozrah East Lyme Franklin Griswold Groton Ledyard Lisbon Lyme Montville North Stonington Norwich Old Lyme Preston	

Monthly Expenses for the City of Windham

	Adult		Adult & school-age		Adult & infant & preschooler		Adult & infant & school-age		2 Adults		2 Adults & school-age		2 Adults & school-age & school-age		2 Adults & teenager & teenager	
Monthly Costs	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Housing	550	39	676	28	676	18	676	20	550	26	676	23	676	19	676	28
Child Care	0	0	454	19	1411	37	1127	33	0	0	454	15	909	25	0	0
Food	200	14	354	15	392	10	441	13	393	18	538	18	668	18	707	29
Transportation	234	16	240	10	240	6	240	7	454	21	460	15	460	13	454	19
Health Care	122	9	283	12	282	7	292	9	311	15	328	11	346	9	385	16
Miscellaneous	110	8	201	8	300	8	278	8	171	8	246	8	306	8	222	9
Taxes	203	14	372	8	735	12	604	10	259	12	423	9	554	8	274	0
Earned Income Tax Credit (-)	0		-19		0		0		0		0		0		-108	
Child Care Tax Credit (-)	0		-70		-100		-110		0		-60		-100		0	
Child Tax Credit (-)	0		-83		-167		-167		0		-83		-167		-167	
Self-Sufficiency Wage																
Hourly***	\$8.06		\$13.67		\$21.41		\$19.21		\$6.08		\$8.47		\$10.38		\$6.94	
									per adult****		per adult****		per adult****		per adult****	
Monthly	\$1,418		\$2,406		\$3,769		\$3,380		\$2,138		\$2,983		\$3,652		\$2,443	
									combined****		combined****		combined****		combined****	
Annual	\$17,018		\$28,877		\$45,225		\$40,563		\$25,662		\$35,790		\$43,827		\$29,312	
									combined****		combined****		combined****		combined****	

The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state, (including state tax credits) and payroll taxes.

*** The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

**** The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.

Monthly Expenses for Greater Windham**

	Adult		Adult & school-age		Adult & infant & preschooler		Adult & infant & school-age		2 Adults		2 Adults & school-age		2 Adults & school-age & school-age		2 Adults & teenager & teenager	
Monthly Costs	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Housing	693	42	852	32	852	21	852	23	693	30	852	26	852	22	852	31
Child Care	0	0	454	17	1411	35	1127	31	0	0	454	14	909	23	0	0
Food	200	12	354	13	392	10	441	12	393	17	538	17	668	17	707	25
Transportation	234	14	240	9	240	6	240	7	454	19	460	14	460	12	454	16
Health Care	122	7	283	10	282	7	292	8	311	13	328	10	346	9	385	14
Miscellaneous	125	8	218	8	318	8	295	8	185	8	263	8	324	8	240	9
Taxes	259	16	449	11	829	14	707	12	302	13	493	11	626	9	344	5
Earned Income Tax Credit (-)	0		0		0		0		0		0		0		-37	
Child Care Tax Credit (-)	0		-65		-100		-100		0		-55		-100		0	
Child Tax Credit (-)	0		-83		-167		-167		0		-83		-167		-167	
Self-Sufficiency Wage	-															
Hourly***	\$9.28		\$15.35		\$23.05		\$20.95		\$6.64		\$9.24		\$11.13		\$7.89	
									per adult****		per adult****		per adult****		per adult****	
Monthly	\$1,633		\$2,702		\$4,057		\$3,687		\$2,339		\$3,252		\$3,918		\$2,777	
									combined****		combined****		combined****		combined****	
Annual	\$19,591		\$32,419		\$48,681		\$44,247		\$28,065		\$39,018		\$47,015		\$33,326	
									combined****		combined****		combined****		combined****	

The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state, (including state tax credits) and payroll taxes.

** Greater Windham is composed of Colchester, Lebanon, Columbia, Coventry, Mansfield, Union, Willington, Ashford, and Chaplin.

*** The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

**** The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.

Monthly Expenses for the City of New London

	Adult		Adult & school-age		Adult & infant & preschooler		Adult & infant & school-age		2 Adults		2 Adults & school-age		2 Adults & school-age & school-age		2 Adults & teenager & teenager	
Monthly Costs	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Housing	590	40	683	28	683	18	683	20	590	27	683	23	683	19	683	28
Child Care	0	0	454	19	1411	37	1127	33	0	0	454	15	909	25	0	0
Food	200	14	354	15	392	10	441	13	393	18	538	18	668	18	707	29
Transportation	233	16	239	10	239	6	239	7	453	21	459	15	459	13	453	18
Health Care	122	8	283	12	282	7	292	9	311	14	328	11	346	9	385	16
Miscellaneous	114	8	201	8	301	8	278	8	175	8	246	8	306	8	223	9
Taxes	218	15	377	9	738	12	607	10	271	12	425	9	563	8	276	0
Earned Income Tax Credit (-)	0		-17		0		0		0		0		0		-105	
Child Care Tax Credit (-)	0		-68		-100		-110		0		-60		-100		0	
Child Tax Credit (-)	0		-83		-167		-167		0		-83		-167		-167	
Self-Sufficiency Wage																
Hourly***	\$8.39		\$13.77		\$21.47		\$19.26		\$6.23		\$8.50		\$10.42		\$6.97	
									per adult****		per adult****		per adult****		per adult****	
Monthly	\$1,476		\$2,423		\$3,779		\$3,391		\$2,193		\$2,992		\$3,668		\$2,454	
									combined****		combined****		combined****		combined****	
Annual	\$17,714		\$29,082		\$45,349		\$40,687		\$26,310		\$35,900		\$44,017		\$29,451	
									combined****		combined****		combined****		combined****	

The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state, (including state tax credits) and payroll taxes.

*** The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

**** The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.

Monthly Expenses for Greater New London**

	Adult		Adult & school-age		Adult & infant & preschooler		Adult & infant & school-age		2 Adults		2 Adults & school-age		2 Adults & school-age & school-age		2 Adults & teenager & teenager	
Monthly Costs	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Housing	677	42	785	30	785	20	785	22	677	29	785	25	785	21	785	30
Child Care	0	0	454	17	1411	36	1127	32	0	0	454	14	909	24	0	0
Food	200	12	354	14	392	10	441	12	393	17	538	17	668	18	707	27
Transportation	233	15	240	9	240	6	240	7	454	20	460	15	460	12	454	17
Health Care	122	8	283	11	282	7	292	8	311	13	328	10	346	9	385	15
Miscellaneous	123	8	211	8	311	8	288	8	184	8	257	8	317	8	233	9
Taxes	253	16	423	11	794	13	664	11	297	13	466	10	597	9	317	3
Earned Income Tax Credit (-)	0		0		0		0		0		0		0		-64	
Child Care Tax Credit (-)	0		-65		-100		-105		0		-58		-100		0	
Child Tax Credit (-)	0		-83		-167		-167		0		-83		-167		-167	
Self-Sufficiency Wage																
Hourly***	\$9.14		\$14.78		\$22.43		\$20.25		\$6.58		\$8.94		\$10.84		\$7.52	
									per adult****		per adult****		per adult****		per adult****	
Monthly	\$1,609		\$2,601		\$3,948		\$3,565		\$2,316		\$3,147		\$3,814		\$2,649	
									combined****		combined****		combined****		combined****	
Annual	\$19,305		\$31,211		\$47,370		\$42,778		\$27,792		\$37,769		\$45,772		\$31,783	
									combined****		combined****		combined****		combined****	

The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state, (including state tax credits) and payroll taxes.

** Greater New London is composed of Bozrah, East Lyme, Franklin, Griswold, Groton, Ledyard, Lisbon, Lyme, Montville, North Stonington, Norwich, Old Lyme, Preston, Salem, Sprague, Stonington, Voluntown, and Waterford.

*** The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

**** The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.

Monthly Expenses for the Northeast Corner**

	Adult		Adult & school-age		Adult & infant & preschooler		Adult & infant & school-age		2 Adults		2 Adults & school-age		2 Adults & school-age & school-age		2 Adults & teenager & teenager	
Monthly Costs	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Housing	568	39	700	29	700	18	700	20	568	26	700	23	700	19	700	28
Child Care	0	0	454	18	1411	37	1127	33	0	0	454	15	909	25	0	0
Food	200	14	354	14	392	10	441	13	393	18	538	18	668	18	707	28
Transportation	234	16	240	10	240	6	240	7	454	21	460	15	460	12	454	18
Health Care	122	8	283	12	282	7	292	9	311	14	328	11	346	9	385	15
Miscellaneous	112	8	203	8	303	8	280	8	173	8	248	8	308	8	225	9
Taxes	210	15	386	9	746	13	622	10	265	12	432	10	570	8	283	1
Earned Income																
Tax Credit (-)	0		-11		0		0		0		0		0		-98	
Child Care																
Tax Credit (-)	0		-68		-100		-105		0		-60		-100		0	
Child Tax Credit (-)	0		-83		-167		-167		0		-83		-167		-167	
Self-Sufficiency Wage																
Hourly***	\$8.21		\$13.96		\$21.63		\$19.49		\$6.15		\$8.58		\$10.50		\$7.07	
									per adult****		per adult****		per adult****		per adult****	
Monthly	\$1,445		\$2,457		\$3,807		\$3,430		\$2,164		\$3,019		\$3,695		\$2,489	
									combined****		combined****		combined****		combined****	
Annual	\$17,340		\$29,483		\$45,680		\$41,163		\$25,962		\$36,226		\$44,343		\$29,867	
									combined****		combined****		combined****		combined****	

The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state, (including state tax credits) and payroll taxes.

** Northeast Corner is composed of Brooklyn, Canterbury, Eastford, Hampton, Killingly, Plainfield, Pomfret, Putnam, Scotland, Sterling, Thompson, and Woodstock.

*** The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

**** The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.